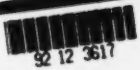

92 12 3617

0 23633
0-36145

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For quarter ended February 29, 1992

Commission file number 0-17837

PASCALL GROUP, INC.
(Exact name of registrant as specified in this charter)

Delaware	22-2463799
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

587 Young St., Melbourne, Florida	32935
(Address of principal executive offices)	(Zip Code)

(407) 242-9603
(Registrant's telephone number, including area code)

(Former address)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ___ No X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

100,000,000 shares of common stock were outstanding as of April 9, 1992.

PROCESSED BY
APR 22 1992
Microfilmed by
Q-Data Corp. - St. Petersburg, FL

PART I. FINANCIAL INFOMATION

Item 1. Financial Statements.

PASCALL GROUP, INC.
CONDENSED BALANCE SHEETS
(UNAUDITED)

	FEBRUARY 29 1992	AUGUST 31, 1991
ASSETS		
CURRENT ASSETS:		
Cash	$35,254	$0
Accounts receivable	$7,381	$27,798
Inventories	$12,885	$18,129
	$55,520	$45,927
PROPERTY & EQUIPMENT:		
Oil and gas properties-under full cost method	$1,213,605	$1,213,605
Land	$3,512,186	$3,767,266
Buildings & improvements	$7,570,509	$8,036,786
Machinery & equipment	$285,453	$284,684
Furniture & fixtures	$32,521	$31,016
Transportation equipment		$180,136
	$12,614,274	$13,513,493
Less: accumulated depreciation & depletion	$671,834	$555,987
	$11,942,440	$12,957,506
OTHER ASSETS:		
Patent & patent development	$382,578	$382,578
Deposits	$850	$850
	$383,428	$383,428
TOTAL ASSETS	$12,381,388	$13,386,861

PASCALL GROUP, INC.
CONDENSED BALANCE SHEETS-(CONT)
(UNAUDITED)

	FEBRUARY 29, 1992	AUGUST 31, 1991
LIABILITIES & STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	$11,419,602	$11,857,037
Accounts payable	$144,536	$285,942
Accrued expenses	$1,388,649	$906,625
Note payable to shareholder	$157,510	$175,591
Accounts & notes payable-Atlantic Marina obligations	$259,840	$273,740
Rent & security deposits held	$109,236	$64,236
Loans payable to affiliate	$600,288	
	$14,078,861	$13,563,171
TOTAL LIABILITIES	$14,078,861	$13,563,171
STOCKHOLDERS' EQUITY:		
Common stock, $.002 par value 100,000,000 shares authorized, 71,718,510 issued & outstanding	$143,437	$142,857
Additional paid-in capital	$2,301,693	$2,345,273
Accumulated deficit	($12,077)	($12,077)
Retained earnings-since August 31, 1988	($4,130,526)	($2,652,363)
TOTAL STOCKHOLDERS' EQUITY	($1,697,473)	($176,310)
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$12,381,388	$13,386,861

PASCALL GROUP, INC.
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

		SIX MONTHS ENDED FEBRUARY 28,		THREE MONTHS ENDED FEBRUARY 28,	
		1992	1991	1992	1991
REVENUES:					
Oil and gas income		$35,062	$95,873	$5,287	$43,695
Rental income		$6,900	$171,899		$117,641
Marina income		$41,683	$99,614	$25,673	$37,019
Construction income			$68,837		$53,798
Medical income			$6,000		
Vending income		$12,078	$250,000	$78	$250,000
Interest income			$1,552		$1,552
		$95,723	$693,775	$31,038	$503,615
EXPENSES:					
Oil and gas operating & development expenses		$28,326	$87,149	$27,873	$27,564
Rental costs		$520	$7,970	($480)	$5,700
Marina costs		$15,030	$49,314	$8,942	$21,552
Vending costs		$7,335		$5,714	
Construction costs			$68,837		$53,798
Medical costs			$16,088	($400)	$2,026
General and administrative		$692,598	$371,586	$469,896	$158,835
Depreciation, depletion & amortization		$217,510	$285,000	$135,010	$113,500
Interest expense		$539,693	$403,853	$246,158	$318,620
Loss on foreclosures		$17,400		$17,400	
Loss of equity in investment		$55,564		$55,564	
		$1,573,886	$1,289,717	$965,675	$701,593
NET INCOME (LOSS) BEFORE INCOME TAXES		($1,478,163)	($515,942)	($934,637)	($197,978)
INCOME TAXES (REDUCTION)					
Current		$0	$0	$0	$0
Deferred		$0	$0	$0	$0
		$0	$0	$0	$0
NET INCOME (LOSS)		($1,478,163)	($515,942)	($934,637)	($197,978)
WEIGHTED AVERAGE SHARES OUTSTANDING	5	71710510	70563728	71710510	70863750
NET INCOME (LOSS) PER SHARE		($0.0209)	($0.0073)	($0.0132)	($0.0028)

PASCALL GROUP, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	SIX MONTHS ENDED FEBRUARY 28, 1992	1991
Net income (loss)	($1,478,163)	($515,942)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion & amortization	$217,510	$205,000
Decrease (increase) in accounts receivable	$20,417	($85,014)
Decrease (increase) in inventories	$5,244	($6,008)
Decrease (increase) in prepaid expenses	$0	($18,106)
Decrease (increase) in deposits	$0	$0
Increase (decrease) in accounts payable	($156,106)	$59,504
Increase (decrease) in deferred income	$0	$13,000
Increase (decrease) in accrued expenses	$482,024	$41,173
Increase (decrease) in deposits received	$45,000	$308,082
NET CASH PROVIDED FROM (USED) FOR OPERATING ACTIVITIES	($864,074)	$1,689
INVESTING ACTIVITIES:		
Purchase of property & equipment	($2,274)	($8,507,290)
Disposition of land & building on foreclosure	$799,830	
Loan costs		($2,063)
Investments		($103,000)
Patent & patent development costs	$0	$0
NET CASH PROVIDED FROM (USED FOR) INVESTING ACTIVITIES	$797,556	($8,612,353)
FINANCING ACTIVITIES:		
Increase (decrease) in notes payable	($437,435)	$7,998,793
Increase (decrease) in due to affiliate	$600,288	$116,122
Increase (decrease) in note payable-shareholder	($18,081)	$306,566
Issuance of capital stock	$37,000	$264,600
Reduction in paid in capital	($80,000)	
NET CASH PROVIDED FROM (USED FOR) FINANCING ACTIVITIES	$101,772	$8,686,081
NET INCREASE (DECREASE) IN CASH	$35,254	$75,417
CASH AT BEGINNING OF PERIOD	$0	$2,022
CASH AT END OF PERIOD	$35,254	$77,439

PASCALL GROUP, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED FEBRUARY 28, 1992
(UNAUDITED)

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	RETAINED EARNINGS	TOTAL
Balance November 30, 1991	$142,857	$2,365,273	($12,077)	($2,652,363)	($176,310)
Net loss for six months ended February 29, 1992				($1,478,163)	($1,478,163)
Sales of common stock	$580	$36,420			$37,000
Reduction of prior period purchase price		($80,000)			($80,000)
	$143,437	$2,301,693	($12,077)	($4,130,526)	($1,697,473)

PASCALL GROUP, INC.
NOTE TO FINANCIAL STATEMENTS

The Consolidated Condensed Balance Sheets at February 29, 1992 and August 31, 1991 and the related Consolidated Condensed Statements of Operations for the three months ended February 28, 1992 and 1991 and Consolidated Condensed Statements of Cash Flows for the three months ended February 28, 1992 and 1991, have been prepared in accordance with the instructions for Form 10-Q, and, therefore, do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and changes in cash position in conformity with statements, including footnotes thereto,included in the Company's Annual Report on Form 10-K for the year ended August 31, 1989. In the opinion of Management, all adjustments considered necessary for a fair presentation of the results of operations for the three months ended February 28, 1992 have been included.

The Company has not filed its Form 10-K for the year ended August 31, 1990 or August 31, 1991. However, management does not believe that there will be significant charges to the Company's net deficit.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

During the quarter, the Company had total revenues of $31,038. Revenues from oil and gas operations of $5,287 were from the sale of oil and gas primarily from the Company's Pawnee/Warwick and Mueller wells. The Company had $25,673 in income from its Eau Gallie Yacht Basin property. An additional $78 was realized from the sale of Coinex equipment.

Oil and gas operating expenses incurred by the Company were from the Pawnee/Warwick wells and the Lenapah Field and Mueller Field. Electronice Vending Machine costs were for the production of the vending machines sold. General and administrative expenses consisted mostly of legal and professional fees, publicity and marketing expenses, and general office overhead. Interest was from the Company's loans outstanding.

The Company's liquidity during the quarter was provided to the Company from an affiliate for $600,288.

The Company's capital requirements for the next quarter will be largely for continuing operations and overhead. As capital becomes available to the Company, it expects to perform improvements on its oil and gas and marina properties and expand its medical marketing activities and its electronic vending machine operations.

The Company is in default on all of its long-term debt. Accordingly all of the debt has been classified as current. Financial institutions have instituted foreclosure proceedings against the Company's collateral and the Company is vigorously pursuing a restructuring of its debt and defending such foreclosures due to non-extension of loans by the banks and/or unfair banking practices.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Item 2. Changes in Securities.

Item 3. Defaults Upon Senior Securities.

Item 4. Submission of Matters to a Vote of Security Holders.

Item 5. Other Information.

Item 6. Exhibits and Reports on Form 8-K.

There were no reports on Form 8-K filed by the Company in the fiscal quarter ended February 29, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PASCALL GROUP, INC.

Date: April 14, 1992

By: _____
Spiro Armelis, President and
Chief Executive Officer

By: _____
Richard L. Romans
(Chief Financial and
Accounting Officer)